

BOARD OF SELECTMEN

Minutes of the Meeting of 24 September 2008 at 6:00 PM. The meeting took place in the Court Room, Town and County Building, 16 Broad Street, Nantucket, MA 02554. Members of the Board present were Rick Atherton, Brian Chadwick, Michael Kopko, Allen Reinhard, and Patricia Roggeveen. Chairman Kopko called the meeting to order at 6:00 PM.

TOWN MANAGER'S REPORT

Review of Finance Department Organization Review Report. Town Manager C. Elizabeth Gibson provided some background information noting that the Abrahams Group was engaged by Town Administration three months ago, in recognition of chronic difficulties in completing timely audits, as well as issues raised in auditor letters to management, to undertake an organizational review of the Finance Department staffing and internal recommendations. Ms. Gibson noted several significant accomplishments that have been made in the past few months and stated the Finance Department report provides a constructive framework within which Town Administration can develop a plan to implement improvements. Ms. Gibson acknowledged those Finance Department personnel who, through their hard work, have completed the required audits and are now in a position to make systemic improvements within the Department. Ms. Gibson concluded by stating that over the next several weeks, with the assistance of Mr. Abrahams and his staff, implementation of the report's recommendations will begin.

Mr. Abrahams provided an overview of the report stating that there are thirty-six (36) recommendations for change to improve the Department's operations and internal controls, and the reassignment of certain functions within the Finance Department to other departments. Mr. Abrahams stated that the Town is at a critical point in terms of turning around its accounting and financial reporting which, in his view, is the highest priority for Town Administration to address. Mr. Abrahams explained that fourteen (14) of the report's recommendations pertain to internal controls (cash receipts and collections, payroll and personnel actions, vendor transactions and accounts payable); seventeen (17) recommendations address workflows and work processes and five (5) recommendations address reorganization and staffing. Mr. Abrahams also spoke about the need for leadership and accountability within the Department and noted that, subsequent to the Audit Report, he and his staff met with Town Administration, Finance Department staff, Human Resources, the school, and enterprise departments to start discussing implementation. Mr. Abrahams concluded by stating his staff will begin assisting the Town with implementation planning the first week in October. Mr. Atherton asked what kind of assurance the Board of Selectmen can expect to receive that the town is "up to date" and some discussion followed concerning the fact that the Audit Committee, which two members of the Board sit on, meets on a regular basis and should receive within 20 days after the close of the month a report on issues such as cash reconciliation. Ms. Roggeveen stated she wants to make sure the public is assured that the Town is moving forward in a positive direction. Assistant Finance Director Irene Larivee spoke to the issue of the 20 day reporting requirement and Finance Director Connie Voges expressed her appreciation as to the reports findings, stating it is a "roadmap for improvement" as well as some background.

Review of Program Parameters for Community Housing at 2 Fairgrounds Road. John Ryan, consultant for the Town regarding the use of a portion of 2 Fairgrounds Road for housing, gave a presentation outlining the parameters the Board wants included in a pending Request for Proposal (RFP) to develop the subject property. Mr. Ryan stated the RFP will indicate a portion of the property, no larger than six acres, to be used for housing, infrastructure, parking, roads, open space and common amenities, and will indicate the Town's intent to lease the property to the prospective developer for a period of 99 years. Some discussion followed concerning this parameter and it was noted that a 99 year lease will require a Town Meeting vote. Mr. Ryan indicated that the scale of the project would be no less than 60 or more than 80 housing units and that the Town would prefer a proposal that provides a mix of rental and deed-restricted homeownership housing. Mr. Ryan further proposed that the RFP indicate that deed-restrictions on any homeownership units must conform to the deed limitations of the Town's "housing covenant" program. Some discussion followed

concerning this parameter with Mr. Atherton noting that financing sources may mitigate what the community wants. The Board was in general agreement with the bedroom size distribution parameter and some discussion ensued with regard to the levels of rental affordability and maximum rents and home prices. With regard to the design parameters and control, Mr. Ryan stated the RFP will indicate that the quality of site and home design is of paramount importance. The Board also discussed the Board's intent to require its approval of the final project design before it is submitted to the Zoning Board of Appeals. It was noted that the HDC and Planning Department will be part of the process. Mr. Ryan noted that the RFP will indicate that the Town will not seek any payment for the land provided. Mr. Atherton commented that in his estimation the Town is contributing approximately \$6 million dollars for this endeavor. Mr. Ryan concluded by discussing the "local preference" parameter, noting that the RFP will indicate that any proposal must ensure that the development provides local preference to the greatest degree allowed by law and funding sources. Discussion followed concerning this parameter. Mr. Ryan noted that during the public informational meetings, there were inquiries as to whether there will be units reserved for Town employees. Ms. Roggeveen asked about management of the project, noting that the Town itself should not be in the property management business. Some discussion also ensued about seeking funds from the Community Preservation Committee and Mr. Chadwick noted that two of the applications now before the Committee could apply to this project. The Board was in general agreement that it has come a "fair distance in defining parameters" and some discussion followed as to the next steps in the process. The Board thanked Mr. Ryan for his presentation.

Adoption of Petition to County of Nantucket for the Layout of Portions of Nobadeer Avenue, Lovers Lane, and Adams Street as Public Ways. Ms. Gibson explained that this agenda item is a technical procedural matter that necessitates the Board of Selectmen approve a petition that formally requests the County to layout as public ways certain portions of private ways in the Surfside area of Nantucket known as Nobadeer Avenue, Dunham Street, Lovers Lane and Adams Street. And these and these takings are scheduled for action at the County Commission meeting of September 24, 2008. Mr. Chadwick moved to adopt said petition; seconded by Mr. Atherton. So voted unanimously.

At 7:00 PM, the Board of Selectmen meeting recessed and a meeting of the Board of Health was called to order, followed by a meeting of the County Commission. The Board of Selectmen meeting returned to open session at 8:50 PM.

ANNOUNCEMENTS

Ms. Gibson announced that public informational meetings on the fiscal year 2010 budget will be held on Thursday, October 16, 2008 at 6:00 PM at Nantucket High School; Tuesday, October 21, 2008 at 8:30 AM at Nantucket High School and Tuesday, November 18, 2008 at 8:30 AM at Nantucket High School.

Approval of Minutes of 6 November 2007 at 9:00 AM; 27 August 2008 at 6:00 PM; 3 September 2008 at 6:00 PM. The minutes of 3 September 2008 were approved by the unanimous consent of the meeting. The minutes of 6 November 2007 at 9:00 AM were approved with Mr. Atherton abstaining and the minutes of 27 August 2008 at 6:00 PM were approved with Mr. Chadwick abstaining.

Approval of Payroll Warrant for Week Ending 21 September 2008. The payroll warrant for the week ending 21 September 2008 was approved by the unanimous consent of the meeting.

Approval of Treasury Warrant and Pending Contracts for 24 September 2008. The treasury warrant and pending contracts for 24 September 2008 were approved by the unanimous consent of the meeting.

Action on Request of Nantucket Homes for People/Abram Quarry Phase II (Housing Project) for Endorsement of Local Initiative Program Process. Chairman Kopko reviewed a proposed letter, drafted by the Planning Director, conditionally supporting the submission of Nantucket Homes for People/Abram Quarry

Phase II housing projects as a Local Initiative Project (LIP). Planning Director Andrew Vorce spoke, expressing his opinion that he feels the 32 units presently proposed are too many and he would prefer to cut the number back to 24 units. It was noted that the proposed letter addresses five important issues that the Town feels must be given serious consideration and Mr. Atherton noted those issues. After some additional discussion, Mr. Atherton moved to authorize the Chairman to execute the letter (attached), on behalf of the Board; seconded by Mr. Reinhard. So voted unanimously.

Action on FY 2010 Capital Project Requests. Ms. Gibson reviewed her recommendations made at the meeting of September 17, 2008 with regard to fiscal year 2010 capital project requests and noted that there may be some changes as the process proceeds. Ms. Gibson explained some of the issues and noted that, if the Board approves her recommendations, the Capital Program Committee will then begin to review the requests. After a brief discussion, Mr. Chadwick moved to endorse Ms. Gibson's recommendations for funding of fiscal year 2010 capital project requests; seconded by Mr. Reinhard. So voted unanimously.

SELECTMEN'S REPORTS/COMMENT

Mr. Atherton commented on a letter the Board of Selectmen recently received regarding a noise complaint by an abutter of the Summer House and asked what, if any, action might be taken. Ms. Gibson responded the Police Chief has been contacted for a report as to whether other noise complaints were received and stated the report and letter of complaint will be placed in the Summer House liquor license renewal file and addressed when the license comes up for renewal next spring.

Mr. Atherton further commented on a letter the Board received from a resident living in Cisco about an incident last summer involving a private airplane nearly hitting his house, and the reported lack of response from the Airport. Ms. Gibson stated the letter was referred to the Airport for a written response.

The meeting was unanimously adjourned at 9:20 PM.

Approved the 4th day of December 2008.